

IS ECONOMIC GROWTH RELEVANT?

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- (1) Economic growth is neither necessary nor sufficient for the growth of social welfare; indeed, we must be prepared to discover that further pursuit of economic growth is inimical to the good life we aspire to.

E.J. Mishan¹

- (2) The middle-class obsession with certain aspects of the environment must not be allowed to divert attention from more serious allocation problems. These include, first, the distribution of income, both internationally and within countries. They also include major problems such as those of education, housing, health services, and working conditions, and in the poorer countries they include even more basic ingredients of life. So, as Anthony Crosland has put it, 'we can move away from the recent sterile argument of growth versus anti-growth, and resume the real argument. How do we use and direct our growth'?

Wilfred Beckerman²

I

Introduction

These two quotes provide a convenient point of departure for understanding the issues embedded in the current debate over the relevance of economic growth. Though the debate has been going on for at least a decade now, we are, as yet, no nearer a consensus either on the major points at issue or on ways of resolving them, than we were at the outset. The debate, however, has raised a number of important questions relating to the impact of economic growth on welfare, poverty, income distribution and the environment etc., which need to be carefully considered in discussing the future paths of development in the contemporary world. While the issue of growth

versus Zero or no-growth strategies of development has generally been posed and discussed in global terms, we need to pay particular attention to its relevance for the impact on the future of the underdeveloped countries. Specifically we need to know whether the underdeveloped countries can afford to give up the pursuit of economic growth as the major developmental goal, albeit with appropriate corrective measures to ensure a more equitable income distribution and balanced regional development; or does their salvation lie in abandoning the path of growth altogether and pursuing some other development objectives - whatever they may be. Before, however, we attempt answers to these admittedly difficult and complex questions we need to analyse why the very notion of economic growth has come in for such sharp attack as that by Mishan, and what alternatives to growth have been put forward by its critics.

The disillusionment with economic growth as a panacea for the ills from which the underdeveloped (and even the developed) countries suffer has taken many forms. Some of these "protest movements", however, adopt a posture which is quite reconcilable with continued economic growth while simultaneously emphasising the need for positive measures to reduce inequalities, generate employment, reduce poverty and meet basic needs etc. Others take a more "fundamentalist" position holding economic growth responsible for all the ills of modern society and treat it like the plague to be avoided at all

costs. Placing individual writers in one or the other category is always a risky endeavour, yet in what follows I have tried to identify some of the main sources of the current disenchantment with growth, and on that basis have tried to group important segments of the voluminous (and expanding) literature on the subject into three main categories. In the first category I have included those writers who are critical of growth because it has failed to produce the results - improvement in the living conditions of the mass of the people - expected of it. I have further sub-divided this category into two groups of liberal and radical writers. The second category consists of people who feel that continued economic growth amounts to courting ecological disaster, and therefore it is neither a feasible nor a desirable alternative for the future. The final category, while conscious of the first two arguments, is against the very notion of growth as a social objective and argues for alternative normative principles for the future organisation of society. The critique of growth thus becomes a critique of society based on material values which growth epitomises.

The review which I have attempted is rather brief and sketchy and fails to do full justice to the richness of the literature that has accumulated on this theme during the past few years. An exhaustive review would require a complete book. My objective, however, is a limited one : to identify the main issues in the growth debate and to pose certain questions

relevant to the future of development in the underdeveloped countries. If this paper is able to do that it will have accomplished its purpose.

II

Growth, Poverty, and Income Distribution

While it may be presumptuous to argue that the "myth of economic growth" has finally been exploded, it will, nevertheless, be reasonably correct to point out that there is widespread concern among economists and policy-makers about the utility of economic growth rates either as the single most important indicator of development, or as the objective of development and planning. This is in sharp contrast to the situation prevailing immediately after the Second World War when there was a general consensus that development meant economic growth as measured by the growth of the Gross National Product and per capita Gross National Product. This does not imply that economists and policy-makers were not concerned with the problems of poverty and levels of living. These concerns were central to development thinking, especially as it related to the underdeveloped countries; but it was assumed that they could be taken care of through the operation of the "trickle-down" process attendant on growth. The major problem was seen to be that of the enlargement of the economic pie before anyone could be given a larger slice. Thus growth, not

distribution, became the central concern of development theory and practice during this period. Concern with economic growth rates inevitably led to a concern with capital formation, savings and investment, since resource-scarcity~~---~~ was identified as the major impediment to pushing up rates of economic growth in the underdeveloped countries. Inevitably, therefore, the issue of development came to be posed in economic-technical terms and the non-economic factors (social, political, cultural etc.) were analysed in terms of their role and contribution (functional/dysfunctional and positive/negative) to the process of development defined as economic growth.³

The identification of development with economic growth was largely influenced by the historical experience of the already developed countries of Western Europe and North America. Development, in this way, was interpreted as a universal (and, perhaps, also linear) process proceeding through almost identical stages in all societies.⁴ Therefore the belief emerged that the historical experiencing of the developed countries was directly relevant to the problems confronting the underdeveloped ones. A general feeling of optimism for the future of the poor countries based on the understanding that their problems were manageable and capable of solution within the framework of the growth model accompanied the consensus on development as growth.

By the sixties cracks emerged in this consensus. One of the major reasons was that empirical evidence began to emerge

which showed that economic growth in the underdeveloped countries was accompanied by increasing income inequalities,⁵ thereby casting doubts on the operation of the "trickle-down" process - one of the major assumptions of the earlier growth doctrines. The distribution of national product which had generally been neglected in the past become an important factor in development.

Along with equity attention also came to be focussed on the question of poverty and living conditions of the people. A disconcerting fact which came to light was the persistence of mass poverty in many of the underdeveloped countries during a period when they were experiencing economic growth.⁶ The persistence of poverty was found to be related to inequality in these societies. Consequently it was felt that continued economic growth would offer no reprieve to the poor unless it was accompanied by a programme of social justice and equity. The earlier assumption, also based on the experience of the industrialised countries, that inequalities increase in the early stages of development but decline after a point, came to be questioned in the case of underdeveloped countries. The reason according to Singer is :

... once a production structure geared to unequal income distribution and a domestic market largely reserved for the high-income groups has been established, it becomes extremely difficult, both economically and politically, to change it back at a later point in the direction of greater equality and a social welfare state. This process has taken place in the western industrialized countries after they had attained higher income levels, and as a result of specific political and social power shifts.^{7/}

In this fashion poverty and inequality came to be seen as bearing a symbiotic relation to the process of economic growth - and, in certain cases, also a product of growth - instead of problems to be solved by it. The assumptions of the earlier growth doctrines had, therefore, to be revised to account for these empirical anomalies. As Mahbub ul Haq, whose was among the early voices raising this issue and asking for a reconsideration of development thinking, points out :

The institutions which create growth are not neutral as to its distribution. Thus if the growth institutions are characterised by wide disparities in land holdings and concentrations of economic wealth, the process of growth will strengthen them further and they will resist and frustrate all future attempts to take away their powers and privileges through orderly reforms.....

The new development strategy, therefore, must reject the thesis that poverty can be attacked indirectly through growth rates filtering down to the masses. It must be based on the premise that poverty must be attacked directly.^{8/}

The crisis in development thinking which emerged as a result of the "discovery" of poverty and inequality has prompted the search for alternative development strategies - alternatives to economic growth, that is. Generally speaking, attempts to reformulate the development 'problematique' can be classified into two broad categories : the liberal and the radical. While they do share many points in common in so far as they are both responding to the same situation, the basic issue which separates them is ideological-political in character. Consequently they put forward divergent interpretations of

the causes of the present crisis and therefore of the possible development paths open to the underdeveloped countries for breaking out of their current bind.

A LIBERAL RESPONSE

1 Internal Constraints

According to the liberal viewpoint⁹ the causes of the present predicament of the underdeveloped countries are partly internal and partly external. Among the internal factors that have been identified as being responsible for the failure of economic growth to 'trickle-down' to the majority of the people special importance is attached to the following : the dualist nature of the economy, concentration of economic growth in the modern sector, perpetuation of dualism due to structural weaknesses in the economy based on the absence of linkages between the modern and traditional sectors; improper functioning or deliberate distortions in the market mechanism; widespread lack of productive employment (as distinguished from unemployment or underemployment) which in turn is a product of a dualist and inequalitarian socio-economic order; and a socio-political system based on unequal distribution of power which inhibits the pursuit of redistributive policies.¹⁰

2 External Constraints

The problems arising out of these internal constraints are further complicated by the working of the international economic system into which the economies of the underdeveloped

countries are integrated. The international economic order, it is generally pointed out, works to the disadvantage of the poor countries leading to a widening of the economic gap between them and the rich countries. Three aspects of international economic interaction are generally given importance viz., trade, aid and investments. On each of these dimensions the underdeveloped countries end up with the short end of the stick while major benefits accrue to the developed market economies.¹¹ Without going into too many details about the structure and pattern of international economic relations and their impact on the Third World, we may just take note of a few important points which are of particular relevance for our purposes.

Trade

The pattern of international trade, it is pointed out, is influenced by the prevailing international division of labour. This has made the underdeveloped countries producers of primary products and consumers of manufactured goods produced by the developed, industrialised countries. Since the terms of trade of primary products relative to manufactured goods have been generally declining over the years, the situation is far from advantageous to the poor countries.¹² Further, they also face tremendous problems in exporting manufactured goods to the developed countries as they have to face numerous tariff and other barriers (like quotas, health and environmental regulations etc.). The reduction in tariff barriers achieved through

the GATT has mainly helped trade among industrialised countries which has expanded manifold during the post-World War II period, but has had little impact on trade between the rich and the poor countries.¹³ The resurgence of protectionist sentiment in the developed countries in recent years has further harmed the trade interests of the underdeveloped world. Finally the trade of the underdeveloped countries is generally concentrated in a few commodities (one or a few primary products accounting for the bulk of exports) and with a few trading partners (generally the industrialised countries of the West) which weakens their bargaining power and renders them vulnerable to all kinds of pressures.

Aid

The picture with regard to foreign aid is no different.¹⁴ Only a few facts need be noted here. The bulk of foreign aid comes from the industrialised countries of the West, especially the United States, even when it is channelised through international agencies like the World Bank. The total aid made available to the Third World has generally fallen short of their requirements by a very wide margin and hardly any donor country has been able to meet the target proposed by the United Nations - total aid given should amount to about 0.7 per cent of the GNP. In most of the cases the actual aid given has been only a fraction of this figure. Most of the aid made available has been tied aid which hampers the freedom of the recipient while aiding the trade

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of the donor. Finally aid is a political instrument which has been used as a lever for pressurising the recipient countries to alter their economic or political policies to suit the interest of the donors.¹⁵

Investments

The question of foreign investments has generated considerable interest in recent years mainly because of the activities of the Multi-National Corporations (MNCs) which are the major instrumentalities of foreign investments.¹⁶ The main arguments against the operations of the MNCs are : (i) in balance they do not bring in much capital to the host countries as most of the time they raise capital locally and repatriate considerable sums by way of profits, royalties, patent-fees etc.; (ii) their activities do not contribute much either to the indigenous industrialisation process in the host countries or to welfare within them because they generally tend to concentrate in the non-priority sectors, e.g., luxury consumer goods, export-oriented production and extractive and primary-product industries; (iii) the technology transferred by them being capital-intensive is generally inappropriate to the needs of labour-surplus underdeveloped countries; (iv) MNC - led industrialisation in the Third World tends to consolidate the existing international division of labour to the detriment of the overall bargaining position of the latter vis-a-vis the industrialised countries; (v) by the very nature of their economic power, organisation, and operations MNCs are able to

subvert any controls which the host nations may want to impose on them; and (vi) MNCs ultimately act as agents of domination of the underdeveloped countries by the developed ones.¹⁷

It needs to be pointed out that both these sets of constraints - internal and external- are, in the ultimate analysis, products of the economic growth doctrines which became dominant in the past World War II period. Thus any attempt to analyse these constraints is implicitly based on a critique of the growth theories of development. It is no wonder, therefore, that today there is increasing talk of alternative strategies of development.

3 Alternate Development Strategies

The alternative strategies currently being discussed can quite conveniently be divided into broad categories : those designed to overcome the internal constraints to development in the Third World; and those designed to overcome the external constraints. Among the former we may place strategies like redistribution with growth,¹⁸ basic needs¹⁹ and self-reliance approaches to development.²⁰ The point of departure for all these strategies is that economic growth per se cannot be depended on to solve the development problems of the underdeveloped countries. Development has a wider connotation than purely economic growth. It specifically involves social justice, provision of basic human needs of the mass of the people, creation of opportunities for productive employment for all, or almost all, of the working population, and the

establishment of a self-sustaining or self-reliant economic structure as inherent values to be maximised by the development process. Growth therefore must subserve these wider social objectives. To the extent it conflicts with them, the latter must prevail.

An important point to be noted here is that none of these alternative strategies can be called anti-growth. Rather they are conscious of the need for economic growth in the underdeveloped countries, but they wish to make growth serve wider social objectives. Potentially, there is a dilemma between the need for economic growth and the tendency of economic growth to become its own justification to the detriment of the other values. As Singer has aptly put it :

... For the developing countries there remains the dilemma that on the one hand GNP growth is essential to provide the resources, and probably also the potential pre-conditions, for a non-violent redistribution of incomes, while at the same time emphasis on GNP growth has inherent tendencies to solidify and accentuate existing inequalities.21/

The strategies for overcoming the external constraints on the development of the Third World can be generally subsumed under the current concern for a New International Economic Order (NIEO). The NIEO programme represents the collective demands of the Third World nations for a restructuring of the international economic system created after the Second World War which is now on the verge of collapse, if it has not already collapsed. The Third World nations argue that this system

was designed to further the economic interests of the industrialised market economics, a function which it has performed rather well. If the interests of the underdeveloped countries are to be safeguarded then it is imperative that a new order should replace the old one in order to make the international system more equitable and give the underdeveloped countries a voice in its management commensurate with their role in the international economy. The NIEO agenda thus includes demands for better terms of trade for primary product exports from the Third World vis-a-vis manufactured goods imported from the industrialised countries; measures to check wide fluctuation in the international prices of primary goods; preferential treatment to exports of manufactured goods from the Third World to the industrialised countries; greater flow of financial assistance from the developed to the underdeveloped countries in accordance with the aid targets fixed by the United Nations; transfers of technology on a scale larger than hitherto to the underdeveloped countries from the developed ones; and measures to regulate the activities of foreign business in underdeveloped countries. Though the NIEO has generated considerable enthusiasm among the Third World nations and has formed the basis of their bargaining position with the industrialised countries in numerous international organisations for almost a decade now, nothing concrete has been accomplished so far. The success, if any, appears to have been restricted to the level of rhetoric.

I wish to emphasise two points with regard to the NIEO.

Firstly it can by no means be considered a blueprint for a radical or revolutionary transformation of the international economic system. Its intent is reformatory and entirely in consonance with the values espoused - at the level of rhetoric at least - by the industrialised market economies, and which, so we are given to understand, form the basis of their own social, political and economic systems. It is, in brief, a demand for capitalism for all and not just a fortunate few.

Secondly the relationship between NIEO and the alternative development strategies discussed earlier (basic needs, redistribution with growth, self-reliance etc.) is not entirely clear. Are they compatible with each other or mutually exclusive? This issue is relevant primarily because the parties in the current development debate appear to be emphasising one or the other aspect. The Third World nations generally tend to give priority to the NIEO, while the developed countries and international institutions like the World Bank tend to favour basic needs, redistribution etc. as the main problem. The former have also begun to feel that the issue of basic needs has been raised by the latter only to divert attention from their just demands for a restructuring of the international economic system. Whatever be the merits in the arguments of either party, there is an urgent need to analyse the mutual relationship between basic needs and the NIEO to clarify the issues. Some of

these questions have been examined in greater detail later on in this paper.

A resolution of some of the questions raised here seems possible within the radical framework.

B The Radical Critique

The position of the radical critics of economic growth is fundamentally different from that of their liberal counterparts, even though there may appear to be many similarities between them, especially in regard to their concern for social justice and greater equality both at the intra- as well as the international levels. The similarities, however, are only at the surface as there are underlying ideological differences arising out of the use of different frames of reference for analysing the same phenomenon - widening of the economic gap between the rich and the poor within and among nations. The radicals differ from the liberals in that they make use of an over-arching theoretical framework which enables them to relate intra-national and international inequality as parts of a common process emanating from the centre of the international system and spreading to its remotest parts. This enables them to bridge the gap between the internal and the external aspects of development.

Before proceeding any further I would like to offer an initial caveat. I have used the term radical as a convenient shorthand device to lump together many different schools of

thought; the most important of them being the Marxist tradition represented by people like Paul Baran,²² the Latin American Dependencia theories represented by Andre Gunder Frank and others,²³ and the European Peace Research tradition associated with the writings of Johan Galtung, Dieter Senghaas etc.²⁴ There are important differences of opinion and points of debate between and among these schools. The use of the umbrella concept radical to include all of them undoubtedly, does grave injustice to the unique contributions of each of these schools and of the individual theorists classified under one or the other category. The justification for my placing them in the same category is that, in contrast to the liberal tradition, the distinguishing feature of what I call the radical tradition is its insistence that underdevelopment, internal inequalities and the widening gap between the rich and poor nations are manifestations of a common, historically conditioned and structurally determined, development process that can be properly understood only with reference to the nature, structure and evolution of the present international system.

1 Development and Underdevelopment

According to the radical viewpoint, development and underdevelopment are symbiotically related to each other so that the same historical process which brought about the development of certain countries also resulted in the underdevelopment of others. Underdevelopment, therefore, can not be

considered the original condition of some countries to be overcome by following the historical experience of the presently developed countries.²⁵ In the absence of major structural changes in the international system such a policy will only intensify the relative backwardness of the underdeveloped economies. The radicals are especially critical of the assumptions underlying the economic growth doctrines. In particular, they reject the view that the process of growth is a universal, linear one passing through almost identical stages in all economies and that the level of development is determined by the level of capital formation and investments at any point in time. This approach to development, in their view, is actually an attempt at abstracting away the crucial importance of social and political forces, especially the power - structure and distribution, and ends up in justifying the status quo, however inegalitarian it may be.²⁶

2 Role of Historical Forces

For the radicals underdevelopment has its roots, historically, in the phenomenon of imperialism and colonialism. The colonial system served the purpose of integrating the economies of the colonised countries into an international economic system dominated by the imperial masters to serve their own interests. The international division of labour on which this system was based ensured that the colonies would function as suppliers of primary products and consumers of manufactured goods. The economic rules on which the colonial structure was based, and

which were enforced by means of political subjugation, prevented the colonies from reaping the full benefits of economic interaction with the outside world. Rather, the colonial system served as a conduit for the transfer of surplus generated in the colonies to the colonising country. It is thus no accident of history that the developed - underdeveloped dichotomy in the contemporary world closely corresponds with the colonised - colonising dichotomy of the past.

3 Structure of Underdevelopment

The main thrust of the radical argument is that the basic pattern of international economic domination established in the colonial era continues in the modern world as well, even though political domination is all but over. Thus decolonization has not affected the dependent (and, by implication, the exploited) status of the underdeveloped countries. In fact, one of the major reasons for underdevelopment is identified as dependence.²⁷ There are a number of conceptualizations of the mechanism whereby the underdeveloped countries are integrated into the international system and then exploited by way of unequal exchange relations. Mention may be made here of just a few, especially the metropolis-satellite model of Andre Gunder Frank²⁸ and the centre-periphery model of Johan Galtung.²⁹ The distinguishing feature of both these models is the use of a structural framework to explain underdevelopment. According to them

the patterns of development in underdeveloped countries are conditioned by their integration into the international system on the basis of the international division of labour. The international system is characterised as a structure of dominance - dependence which is controlled by the dominant countries in their own interest. Thus Frank talks of a series of metropolis - satellite formations, extending from the international metropolis at the top to the remotest parts of the underdeveloped countries at the bottom, as forming part of the same international structure. Similarly, Galtung refers to a hierarchy of imperialist relations extending from the centre of the Centre at the top to the periphery of the Periphery at the bottom. It needs to be noted here that the terms metropolis, satellite, centre and periphery have both spatial and status connotations so that they can be used to designate both territorial units as well as class groups.

The dominant countries are able to maintain their control over the international system because they establish bridgeheads within the dependent countries. These bridgeheads (variously described as the comprador bourgeoisie, Western-oriented elites etc.) also develop a vested interest in continuing the dependent status of the underdeveloped countries because they derive definite advantages from it. Thus, while dependence or imperialism is detrimental to the overall development in the periphery, it does bring benefits to the elite groups within the periphery. It is this fact which sustains it in the modern period when overt political control

of the periphery by the centre has come to an end. Domination by the centre is made possible by collaboration with elite groups within the periphery.

4 Alternative Development Strategies

The value of this theoretical formulation lies in its ability to explain both internal inequalities within the underdeveloped countries and inequalities between the rich and poor countries as part of a common process derived from the logic of the international system. This logic, simply stated, is unequal development. The causes of underdevelopment, according to the radical tradition, ultimately lie outside the social, political and economic systems of the underdeveloped countries. Therefore the remedy also lies ultimately in the transformation of the international system coupled with internal socioal-structural redistribution. This proposal, it should be noted, is different from redistribution with growth advocated by the liberal thinkers. The radicals are quite explicit in arguing that unequal distribution occurs mainly because of the existence of an inegalitarian social, political and economic structure which is sustained by the international system - itself an unequal one. Hence, unless both the systems are changed, there is little likelihood of redistributive policies having any significant impact on the living conditions of the mass of the people in underdeveloped countries. Some form of socialist transformation is an almost inevitable precondition for the success of development efforts in the Third World.

In spite of what has been said above, there is a general reluctance among the radical theorists to specify the main features of a non-dependent development strategy. One alternative, proposed by Galtung, is self-reliance as a model of development.³⁰ The concept of self-reliance is heavily influenced by the Maoist development programme in China. It envisages a delinking of the economies of the Third World nations from the present international system in the first instance; development in accordance with internal needs; greater cooperation and trade among the Third World nations; and, when the economy is sufficiently strong to enable it withstand pressures from the international system, a relinking with it on more equitable terms. The other radicals, however, seem by and large to opt for a socialist transformation as the most viable development strategy available to the Third World countries. Even then some important issues have not been adequately analysed. These relate to the conditions and possibilities of socialist transformation in societies integrated into the international capitalist system; the role of the state and class structure in such a transformation; and the problems of socialist development in a world dominated by a capitalist economic structure - the MNCs with their control over sophisticated technology being an important manifestation of it. The point of these remarks is to highlight the need for further research and analysis before any of the development alternatives presently being talked about can be made operationally viable for the underdeveloped countries.

A final point that I wish to make about the radical theories of development is similar to the one made about the liberal theories earlier. They are not anti-growth in any sense of the term. Rather they feel that there is no alternative to economic growth before the underdevelopment countries. Their objection is not to growth per se, but to the social and political context in which growth takes place — specifically to growth within a dependent capitalist framework. Once the dependency nexus is broken then growth can take place largely in response to the internal needs and dynamics of the society. Such a pattern of growth will have a significantly different impact on the living conditions of the majority of the people. The negative features of economic growth which we observe are, in fact, a product of the social, political and economic context in which growth policies have so far been pursued. Growth in an altered context can be made to promote greater social justice, balanced development and overall welfare.

The real objection to economic growth comes from two other sources viz.; the ecological perspective on development, and what, for want of a better term, I have called the normative tradition in development thought. We shall, therefore, turn our attention to these schools. Once again I have highlighted only the major issues relevant to our discussion.

III

Ecological Perspective

The analysis of development and economic growth from an ecological perspective has acquired a considerable following in recent years. An important landmark marking the spurt in ecologically-oriented development writings was the publication in 1972 of the famous report to the Club of Rome on The Limits to Growth.³¹ Since then the question of the environmental implications of continued economic growth has become an important dimension of the development debate. Two important issues have been thrown up by this group of literature. They relate to : (i) the environmental constraints on economic growth imposed by the rising scarcity of resources especially the non-renewable ones - created on the one hand by high rates of depletion, and on the other by exponential increase in the rates of population growth; and (ii) the negative ecological consequences of economic growth, especially in the form of industrial pollution, which instead of adding to net social welfare actually results in the deterioration of the quality of life. As a result many people have now started arguing that continued economic growth is neither feasible nor desirable in an ecologically conscious future world, if the survival of future generations of mankind is to be ensured. The notion of a steady-state or zero-growth economy has been proposed as an alternative.

Three important issues, relevant to our concerns, can be identified in the literature on the ecological dimensions of economic growth. These pertain to the physical limits to growth, the impact of population growth on future patterns of development, especially in the Third World, and the future of Third World development in the context of a zero-growth economy.

1 Limits to Growth

The issue of the physical limits to continued economic growth, as noted earlier, was raised by the study on The Limits to Growth. Using a systems dynamic model to relate global population growth, pollution, food production, natural resource depletion, and economic development, it tried to show that on account of exponential increases in population growth, resource depletion and pollution and only arithmetical rise in food supply and economic development, economic growth at current rates would lead to a global catastrophe as the balance between population, food supply and other resources, and the environment would be adversely affected. The analysis put forward supported the thesis that there is an urgent need to slow down, and ultimately bring to a halt, the process of economic growth in the interests of future survival.

It is true that the assumptions on which this study is based, and even the methodology followed, have been questioned by many people.³² Even the later studies commissioned by the Club of Rome³³ on the same theme have departed from the

assumptions of the original study. Yet, the influence wielded by it has proved to be quite lasting as the notion of finite limits to growth continues to hold sway. It has spawned such metaphors as space-ship earth to describe the predicament of mankind and a whole body of dooms-day literature, paralleling the best science fiction, has also emerged.

2 Population - Resource Gap

The relation between population and resources, especially food, has become the subject of special concern among a large group of writers. The predictions generally made tend to point out that world population has already reached its limit in terms of our capacity to sustain it at adequate levels of nutrition. Exponential increases in population growth will result in a major catastrophe. Hence the urgent need for a drastic reduction in population growth rates. The villain of the piece is invariably presented as the poor countries of the Third World, variously described as teeming with millions of sub-human people, bursting at the seams, population factories and so on. The burden of the problem is thus transferred to these areas. Elaborate theoretical frameworks like that of the triage³⁴ and life boat ethics³⁵ have been developed to justify abandonment of the poor countries to their fate in order to ensure the survival of the rest in a finite world.

The basic fallacy of this line of thinking is the assumption that the pressure on world resources comes from overpopulation in the poor countries. The situation, really, is quite the

opposite. Any dispassionate analysis of the data would show that the per capita consumption of natural resources, including food, is many times more in the rich countries than it is in the poor ones. Thus, while population growth does constitute a major problem to the poor countries, it can hardly be considered a serious threat to global resources, especially in the context of the current levels of consumption prevailing in these countries. The real danger of an ecological disaster, attendant on resource depletion and pollution, arises from the pattern of development prevailing in the industrialised countries of the West. The ecological disaster haunting the poor countries is of a different order : siphoning of their resources by the rich countries for their own consumption or for export after processing and adding value; and pollution of the social environment, especially in the form of poverty and squalor.

As regards the balance between food and population within the poor countries, the situation, indeed, is far from satisfactory. However it is well to remember, as Lappe and Collins³⁶ point out, that the reason for their inability to close the food-population gap does not lie at either end of the balance - high rates of population growth and low rates of growth in food production - as is frequently assumed, but in the basic structure of the international food system which virtually forces many of these countries to devote some of their best agricultural lands for production of cash and luxury crops (including meat) for export to the developed countries³⁷ and

import of foodgrains from abroad. While the principle of comparative advantage may be used to justify such policies, it has disastrous consequences for the availability of food to the poor people. More often than not they are unable to purchase the imported food. Lappe and Moore therefore argue that given the opportunity, the poor people in the poor countries can and will feed themselves. There really are no basket cases in the modern world.

3 Zero-Growth and Underdevelopment

If the prognostications of the ecological prophets of doom are accepted seriously and a zero-growth economy is seen as the only viable alternative for the future, then a host of complex questions concerning the future of the Third World in the world economy have to be answered. Firstly, if the notion of the rich-poor dichotomy at the international level is a valid one, then what prospects does a zero-growth alternative hold out for the poor nations. Does it not amount to asking them to stay content with their poverty because the alternative is infinitely worse? Are we then also not asking them to sacrifice their future for the mistakes of a few rich countries?

Secondly, if continued economic growth amounts to courting ecological disaster, then are we presuming an ecologically (and normatively) optimal level of development from the points of view of resource utilization, pollution minimization and equitable distribution? If this be so, then can some

countries be called underdeveloped and others mal- or over-developed? Are we then also willing to argue that the level of development in the latter should be scaled down to the optimal level even as the former need to be brought up? Given the existing distribution of power, influence and resources in the contemporary world and the structure of the modern world-system, can we realistically assume such a task can be accomplished?

In conclusion I wish to acknowledge that the critique of economic growth from the ecological perspective has generally been developed in response to the predicament of the industrialized countries of the West. Hence, it may be argued, that it has little relevance to the peculiar problems of the underdeveloped countries. But the environmental problems are, by definition, of global and not local import. Resource depletion and environmental pollution affect all and sundry and not just the profligate few. The Third World Nations, willy nilly, become embroiled in the process. The need to address ourselves to the questions raised earlier is, therefore, an imperative one.

IV

The Normative Theorists

An important trend in development thinking that has emerged in recent years is the attempt by some people³⁸ to raise certain fundamental questions about the nature of development. Development, as they argue, is inherently a normative concept

whose meaning is derived, implicitly or explicitly, from some vision of a desirable future for mankind. In this sense it can also be considered a teleological concept whose worth has to be evaluated in terms of the social, political and economic arrangement it seeks to promote and the purposes for which the latter are intended. In the ultimate analysis the purpose of development is to provide a better life, interpreted in the widest sense of the term, to the mass of the people living in any society. The economic dimension of development, though admittedly of crucial importance, does not exhaust the full meaning of the term which is much richer and wider in its connotation. Further the various aspects of development - economic, social, political, cultural, psychological etc. - cannot be isolated from each other and understood in a segmented fashion. Development constitutes an integrated picture in which each of these several dimensions are intricately related to each other so that a distortion in any one dimension would tend to distort the entire picture.

1 Critique of Growth

The normative theorists are critical of economic growth not simply because it has failed to provide the promised good life to the mass of the people, but, more importantly, because it is incapable of doing so. Economic growth is not simply a set of economic policies designed to produce more goods but an overall model of society embodying a particular set of institutions which justify on the one hand the identification

of human needs with certain goods and on the other, the manner of production of these goods. In the words of Ivan Illich :

We have embodied our world view into our institutions and are now their prisoners. Factories, news media, hospitals, governments, and schools produce goods and services packaged to contain our view of the world. We - the rich - conceive of progress as the expansion of these establishments. We conceive of heightened mobility as luxury and safety packaged by General Motors or Boeing. We conceive of improving the general well-being as increasing the supply of doctors and hospitals, which package health along with prolonged suffering. We have come to identify our need for further learning with the demand for ever longer confinement to classrooms. In other words, we have packaged education with custodial care, certification for jobs, and the right to vote, and wrapped them all together with indoctrination in the Christian, liberal, or communist virtues

Industrialised societies can provide such packages for personal consumptions for most of their citizens, but this is no proof that these societies are sane, or economical, or that they promote life. The contrary is true. The more the citizen is trained in the consumption of packaged goods and services, the less effective he seems to become in shaping his environment. His energies and finances are consumed in procuring ever new models of his staples, and the environment becomes a by-product of his own consumption habits.^{39/}

In this fashion the critique of economic growth, in the hands of the normative theorists, becomes a critique of society, of its ideological basis and of the institutions which embody the ideology. The social form they are reacting to is the one based on an indiscriminate materialist and acquisitive culture. In the words of James Weaver :

A system based primarily on greed and the amassing of goods and services is not a good society. We have known all along that avarice is a vice and not a virtue.^{40/}

Indeed the very definition of underdevelopment used by Illich - "the surrender of social consciousness to pre-packaged solutions" - is quite explicit in this respect. Viewed thus, underdevelopment is not a characteristic of the poor countries alone. The disease also afflicts the rich countries.

An important point that needs clarification here is that the "normative critique" of the acquisitive society is as much applicable to the socialist societies as it is to the capitalist ones. Basically they share the same goal of plenty for all through higher rates of economic growth. The differences between them rest on the proper way of organising and structuring the production and distribution of goods, not on the need for certain kinds of goods versus others. To quote Illich again :

The translation of social goals with levels of consumption is not limited to only a few countries. Across all frontiers of culture, ideology, and geography today, nations are moving toward the establishment of their own car factories, their own medical and normal schools - and most of these are, at best, poor imitations of foreign and largely North American models.^{41/}

The fundamental issue in development, then, according to the normative theorists is not economic (in the restricted sense of the term) but social, political and above all ethical. Development involves a preference for certain values to be maximised in society and the creation of appropriate social, political and economic structures and relations towards the achievement of these objectives. In essence it is a social process based on humanistic principles. Anything which

diverts society away from this path cannot qualify as development. That is why the identification of development with economic growth is suspect in the eyes of these thinkers.

2 Alternative Social Systems

The alternative social values which have been emphasised by these thinkers generally tend to uphold the principles of social solidarity, consciousness raising among the poor and the oppressed, conviviality, liberation of the human spirit, participation in and control over the economic and political processes etc. The means generally suggested to realise these objectives range from scaling down the size of economic units, use of intermediate or appropriate technology and decentralization to the use of education - not in a formal schooling mode, but in an informal social context - as a tool for making the poor and the oppressed aware of their existential condition in order to overthrow the structures of domination.⁴² The alternatives, therefore, are truly radical and fundamental ones and not merely reformist.

Inevitably the question arises as to how viable these alternatives are for the underdeveloped countries in the present situation. In particular, we need to know what practical measures are needed to translate these ideas into a programme of action for the future development paths in these countries. The writings of the normative theorists do not provide much guidance here as they are merely pointers to the path suggested, rather than fully formulated blueprints or development plans.

There is here an urgent need for further investigation and research to specify the characteristics of these alternative social forms and the manner in which they can be made operational. Illich also concedes this point as the following quotation shows.

It is easier to speak about alternatives to existing institutions, services, and products than to define them with precision. It is not my purpose either to paint a Utopia or to engage in scripting scenarios for an alternate future. We must be satisfied with examples indicating simple directions that research should take.43/

V

Conclusion : Some Issues

Having reviewed the literature on the growth debate, it is now appropriate to highlight and discuss some important issues relevant to the future patterns of development in the underdeveloped countries. Some of these issues, however, have been raised at various places in the paper. This section is intended mainly to consider questions of a wider theoretical concern than have been attempted so far.

A APPROPRIATE TECHNOLOGY, EMPLOYMENT GENERATION & BASIC NEEDS

One of the consequences of the rethinking on development, as noted above, is the emergence of a strong view-point arguing the case for an alternate development strategy in underdeveloped countries based on a package of basic needs, employment-generation and labour-intensive (appropriate) technology. This viewpoint commands strong support both in the international

agencies like the World Bank and ILO as well as many of the underdeveloped countries, especially India. In India one could point to the recent shift in plan priorities in favour of employment generation strategies like rural industrialisation, small-scale industries etc., and the emphasis on minimum needs programme. It would, therefore, be quite appropriate to claim that many of these ideas have been accepted by development theorists and policy makers as being of direct relevance to the future patterns of development in the underdeveloped countries. However, the full implications of this package of proposals require careful examination, for when we unwrap the package a host of social, political and economic issues emerge that cannot be brushed under the carpet.

On the face of it, a strategy of development based on the satisfaction of basic needs and employment generation through the use of small-scale, labour-intensive technology appears to make good sense for most of the underdeveloped countries. This is especially so when we keep in mind that the major problem in countries like India is of a large segment of the population living below the poverty line (however defined). The phenomenon of mass poverty is related to inequality. At the same time it also needs to be borne in mind that better distribution by itself can have, at best, a marginal impact on the problem of poverty. Apart from income distribution, any programme of poverty-eradication has to be based on the generation of gainful and productive employment for the poor. In this way poverty, unemployment and inequality become parts

of a related process. It is now becoming increasingly obvious that neither agriculture in the present context, nor large-scale capital-intensive industry has the potential of absorbing more than a small part of the large and growing pool of surplus labour in countries like India. That is why employment generation strategies based on labour-intensive, small-scale technology have an instinctive appeal. The appeal of such an approach is enhanced to the extent the strategy for eradication of poverty is conceived within the existing social-structural framework, i.e. without altering the basic pattern of property ownership and distribution in the society. One can then concentrate attention on generating employment by channelling investment to the small-scale sector either directly in the case of public investment or by means of incentives and controls in the case of private investment; on redistribution through taxation and other fiscal measures; and on alleviating some of the immediate problems of poverty by means of welfare programmes like food for work which also add to the social and economic infrastructure. Politically such an approach has the obvious advantage of being capable of securing the support of a large cross-section of the population, especially the rural poor without alienating the support of any significant section of the society.

In evaluating the prospects of this strategy of development the critical questions concern its social, political and economic implications. Since we do not have much information in this respect yet, many of the issues raised here should be

seen as hypotheses requiring further investigation and validation, rather than assertions backed by empirical support.

The problem with employment generation strategies based on appropriate technology is that the employment it generates is at relatively low levels of productivity. Hence the returns to labour in the form of wages are also likely to be low.

Appropriate technology may be able to take care of the immediate problems of poverty and destitution, but it is debatable if it can have much of an impact in significantly improving the standard of living of the mass of the people.⁴⁴ In this connection the experience of China seems particularly relevant. After about thirty years of experimentation with self-reliance and indigenous technology-based approaches to development, China has now decided to go in for modernisation in a big way. One of the reasons for the stress on modernisation may very well be the realisation that though the former approach may have solved the problems of destitution, any further increase in the standard of living of the people can only come about through productivity gains and efficiency promised by modern technology. If this proposition be true then the potential of labour-intensive technology is a limited one - limited to the solution of immediate problems of destitution in the short-run.

Another issue emerging from development strategies based on appropriate technology pertains to the relationship between labour-intensive and capital-intensive technologies. This

issue has received insufficient attention in the literature. Generally the choice between the two technologies is posed in either or terms. It is not really clear what the justification is for presenting the choice in this manner. Does it also imply a trade-off between high employment and high productivity? Or can a country adopt a mix of both the technologies and try to balance productivity gains in one sector with employment gains in the other?

However, whatever approach one adopts there are a host of unresolved question which need to be looked into. For instance if we consider the choice between the two kinds of technology to be an either/or choice and opt for labour-intensive appropriate technology then we are confronted with the question whether it is meant to be short-term solution to the unemployment and poverty problems or is it applicable for a longer duration as well. In case we feel it is only a short-term solution because in the ultimate analysis the salvation of underdeveloped countries lies in the use of modern capital-intensive technology then the question arises as to how and when this transition is to be made. Would it not prove difficult and expensive to bring about a technological transition at a later stage? Once a certain kind of technology has taken roots it generates certain social and political forces as well, because technology does not operate in a social vacuum; it is rooted in a set of social and political structures and relations. Transition to a higher levels of technology would, therefore, imply replacement of one set of socio-political

forces with another. What would be the political constraints and costs involved in such a transition? Would it be within the capacity of each and every political system to manage the conflict which the process of transition is likely to generate? Finally which groups or classes in the society are likely to benefit or lose as a result of the transition?

If, however, we believe that the choice of labour-intensive, appropriate technology is for a longer duration, then does it not imply that we are, in the sense, condemning the underdeveloped countries to a low-level equilibrium based on low productivity of both capital and labour? Such a situation would, on the one hand, not result in any significant improvement in the living conditions of the mass of the people while maintaining them just above the level of subsistence and, on the other, is likely to widen the economic gap between the rich and the poor countries. The latter possibility has further implications for the increase in the dependency of the underdeveloped countries on the developed ones, primarily because the international divisions of labour would be further sharpened. This criticism, in fact, is applicable even if we hold the view that appropriate technology is intended to be a short-term solution.

The second option presented above was that a country could adopt a mix of both labour-intensive and capital-intensive technologies and there really is no either/or choice. This, in fact, is the type of situation prevailing in most of the

underdeveloped countries and it has also found a place in the academic literature in the form of the informal sector. Here we need to know what kind of relations exist between these two kinds of technologies : are they complementary, competitive, conflictual or exploitative? Now it is true that the kind of relations would vary with individual countries and the type of industry. Yet it should be possible to draw some generalisations indicating the conditions under which the relations are likely to be of a particular kind.

Moreover, if a mix of the two technologies is adopted it may lead to the perpetuation of dualism, especially if their mutual relations are anything but complementary. In such a case there is the distinct possibility of internal inequalities widening over time. A major problem of public policy designed to promote social justice and equity would then be to prevent the widening of inequalities and promote complementarity between the two types of technologies. Once again, it needs to be reiterated, that the issue involves certain hard political choices as to what the objectives of development are, which groups or classes are to be given special help and how is the conflict that may be generated as a result of such choices to be managed.

A final question in relation to appropriate technology that I wish to raise pertains to the presumed advantage of such technology in producing goods of mass consumption. The advocates of labour-intensive production methods generally

claim that the modern sector based on capital-intensive technology tends to produce expensive consumer items for the higher income groups. It is therefore felt that if the basic needs of the people are to be met, then it is imperative that production in the small sector employing labour-intensive technology should be encouraged. It is generally conceded that the goods produced by this sector may be of an inferior quality relative to those produced by the modern sector; but that may be a small price to pay considering the contribution it is likely to make in fulfilling basic needs.

Keeping in view what has been said earlier about the likely impact of labour-intensive technology in raising income levels, it is doubtful if enough demand can be generated for its products from the poorer sections of the society, especially when we keep in mind that owing to low productivity and diseconomies of scale their prices may not be all that low. Given the existing patterns of income distribution, most of the demand for consumer goods is likely to come from the higher income groups. This demand, further, would also be for the products of the modern technology sector, except some products of peripheral, aesthetic or curiosity value like handicrafts produced by the labour intensive sector. This pattern of demand is also likely to place the labour-intensive production sector in a disadvantageous competitive relation with the modern sector. If its survival is to be ensured, positive policy measures, either in the form of income distribution or a clear demarcation of the areas of

operation of the two sectors may be needed. In that case one would have to examine the political implications and constraints of adopting such an approach.

B DEPENDENCE AND UNDERDEVELOPMENT

Finally I wish to raise some issues for discussion emerging from the radical perspective on development, especially the dependencia school. One of the problems with dependency theory is the lack of precision in the use of the key concept of dependence. As noted earlier, the identification of dependence with underdevelopment by many of these theorists, without adequately specifying what constitutes dependence renders the theory vulnerable to the charge of being tautological : the underdeveloped countries are underdeveloped because they are dependent and they are dependent because they are underdeveloped. This does not really help our understanding of the problem. Further, if dependence is used as an explanation for underdevelopment, then we are immediately faced with the problem of how to account for cases which are dependent in terms of trade and investment flows (the traditional measures of dependence), yet developed, or those which are the least dependent, yet the most underdeveloped. It would be useful to ponder what Andrew Mack and Richard Leaver have to say on this point :

What has not been demonstrated [by dependency theory], is that economic dependency per se has negative consequences for capitalist development. Some Western capitalist countries are clearly highly dependent; they are also rich. Canada, economically dominated

by, and dependent on, the United States is an obvious example. In the Third World some of the least dependent countries, including Bhutan, Nepal, Chad, Burundi and Afghanistan, are among the poorest and have the lowest rates of per capita economic growth. By contrast, some of the most dependent countries ... including Taiwan, South Korea, and Singapore are highly successful (using any of the usual measures of development). These measures relate primarily to material well-being and do not include any reference to degrees of political liberty, civil rights or religious freedoms. The absence of any clear causal relationship between economic dependency and either development success or failure, casts some considerable doubt on the validity of the theory.^{45/}

In view of these observations it will be relevant to ask whether there are any possibilities of dependent capitalist development in the periphery. Some dependency theorists like Dos Santos⁴⁶ believe that there can be a kind of dependent capitalist development, but whose potentialities are limited by the nature of the international structure as it prevents the underdeveloped countries "from reaching a nationally and internationally advantageous situation". Marxists like Bill Warren,⁴⁷ however, have taken a more optimistic view of the possibility of capitalist growth in the Third World not only in raising the aggregate product but also in improving the living conditions of the people. Without getting bogged down in the polemics of the debate, it is nevertheless important to ask what are the possibilities and limitations of dependent development in the periphery in the existing situation. The case of India may be particularly relevant here.

A related issue emerging from the dependency perspective concerns the relationship between underdevelopment and the

capitalist system. By and large the dependency theorists have interpreted the phenomenon of dependence as a product of the integration of peripheral social and economic formations into the international capitalist system. Consequently they have also paid greater attention to the international system and its working, and not to the internal dynamics of the dependent countries, although they have noted the strong linkages between the world system and internal social-structural forces, especially the power of elites. It is not entirely clear whether dependence on the international capitalist system reproduces a capitalist mode of production and a class-structure corresponding to it in the underdevelopment countries or do we have some form of pre-capitalist or dependent mode of production with a corresponding class-alignment. In case it is the latter then we need to know quite explicitly what its characteristics are and how it is likely to evolve in a non-dependency situation. The point that I am trying to allude to is important as it raises the question whether dependency reproduces a particular, specific mode of production and in a dependent society, or can it co-exist with all kinds of social formations. If we uphold the latter view then the utility of the concept of dependence would be a limited one, especially as it relates to analysing the nature of non-dependent development process. In the former case non-dependent development would inevitably be some form of indigenous capitalism (the development of which is, presumably, thwarted by dependence); whereas in

the latter case it could take any form - indigenous capitalist, pre-capitalist or even socialist - depending on the dominant socio-economic formation. In this way dependence would be shorn of its major explanatory power, as the determining factor would then be the internal social-structural forces, especially the mode of production and the class-structure and relations etc. This issue has, by and large, been neglected by the dependency theorists; but its importance for understanding the problems of transformation and development in underdeveloped countries cannot be over-emphasised.

Finally, it needs to be mentioned that dependency has, generally, been analysed in the context of the international capitalist system. Does this imply that there can be no dependency in economic relations with the socialist economies? If so then what is the justification - theoretically and empirically - for such an assertion? It may be useful to recollect that the Chinese charge against Soviet social imperialism in relation to the COMECON countries and the Third World, is very similar to the dependency theorists' indictment of the international capitalist system. If there is any validity in this charge then a major assumption of dependency theory would be open to serious doubt. A serious reappraisal of the theory would then become necessary. It may, however, be claimed that the pattern of economic relations between the Third World and the socialist countries is qualitatively different from the traditional dependency

network. In that case it would be incumbent on us to specify, in as rigorous a fashion as possible, the underlying reasons for such a difference. The task has to be carried out both at the theoretical and empirical levels. A priori, it would appear, that many of the formulations of dependency theory are also applicable to the pattern of economic relations between the Third World countries and the socialist bloc. If we postulate a difference then the onus of proof is clearly on us.

Notes

- 1 E.J. Mishan, The Economic Growth Debate : An Assessment (London : George Allen and Unwin, 1977), p.37. (73)
- 2 Wilfred Beckerman, In Defence of Economic Growth (London : Jonathan Cape, paperback ed. 1976), p.248.
- 3 For a comprehensive analysis of this aspect of growth or "diffusionist" theories see Andre Gunder Frank, "Sociology of Development and Underdevelopment of Sociology", in James D. Cockcroft, Andre Gunder Frank and Dale L. Johnson (eds.), Dependence and Underdevelopment : Latin America's Political Economy (New York : Anchor Books, 1972).
- 4 See, for instance, W.W. Rostow, The Stages of Economic Growth (London : Cambridge University Press, 1960).
- 5 One of the early attempts to study income distribution and economic development was by S. Kuznets, "Quantitative Aspects of the Economic Growth of Nations : Distribution of Income by Size", Economic Development and Cultural Change, 11 : 2 (January 1963). For a later and more comprehensive analysis see Irma Adelman and Cynthia Taft Morris, Economic Growth and Social Equity in Developing Countries, (Stanford : Stanford University Press, 1973). A good overview of the literature is contained in William Loehr, "Economic Underdevelopment and Income Distribution : A Survey of the Literature", in William Loehr and John P. Powelson (eds.), Economic Development, Poverty and Income Distribution (Boulder, Colorado : Westview Press, 1977), pp.3-30.
- 6 See, for instance, V.M. Dandekar and Nilkanth Rath, "Poverty in India", Economic and Political Weekly, 6 : 1-2 (January 2 and 9, 1971).
- 7 H.W. Singer, "Poverty, Income Distribution and Levels of Living : Thirty Years of Changing Thought on Development Problems," in C.H. Hanumantha Rao and P.C. Joshi (eds.) Reflections on Economic Development and Social Change : Essays in Honour of Prof. VKRV Rao (Bombay : Allied Publishers, 1979), p.32.
- 8 Mahbub ul Haq, "The Crisis in Development Strategies", in Charles K. Wilber (ed.) The Political Economy of Development and Underdevelopment (New York : Random House, 1973), p.369.

- 9 For a statement of the liberal viewpoint see in particular Hollis Chenery et al., Redistribution with Growth (London : Oxford University Press, 1974); John W. Mellor, The New Economics of Growth (Ithaca, New York : Cornell University Press, 1976); ILO, Employment, Growth and Basic Needs (New York : Praeger, 1977); Mahbub ul Haq, The Poverty Curtain : Choices Before the Third World (New York : Columbia University Press, 1976); and Michael Lipton, Why Poor People Stay Poor : Urban Bias in World Development (London : Temple Smith, 1977). 973)

It is interesting to note that the liberal viewpoint has been accepted by many international organisations, especially the World Bank (see for instance, Hollis Chenery, "The World Bank and World Poverty" in Loehr and Powelson, op cit.). m

- 10 An example of this last may be seen in the failure to implement land reform legislation in many of the under-developed countries.
- 11 See Jagdish N. Bhagwati (ed.), Economics and World Order (New Delhi : Orient Longmans, 1972); and G.K. Helleiner (ed.), A World Divided : The Less Developed Countries in the International Economy (London : Cambridge University Press, 1976).
- 12 This argument was first developed by Raul Prebisch and it later became the basis of the work of the United Nations' Economic Commission for Latin America (ECLA) and the United National Conference on Trade and Development (UNCTAD). 3, 5
- 13 G.K. Helleiner, op cit.
14. On foreign aid see Denis Goulet and Michael Hudson, The Myth of Aid : Hidden Agenda of the Development Reports (IDOC Book, 1970); and Teresa Hayter, Aid as Imperialism (Harmondsworth, Penguin Books, 1971).
- 15 As an example one can refer to the pressure by USA and the World Bank on India leading to the devaluation of the Rupee in 1966. The case of Allende's Chile is more blatant.
- 16 A seminal work on the role of MNCs is by Richard J. Barnet and Ronald E. Muller, Global Reach : The Power of the Multinational Corporations (New York : Simon and Seluster, 1974).

- 17 For a general overview of the arguments for and against MNCS see Robert B. Stauffer, "Nation Building is a Global Economy : The Role of Multinational Corporations", Sage Professional Papers, Comparative Politics Series, 4 : 01-039 (1973). 973)
- 18 Hollis Chenery, et al., Redistribution with Growth, op cit.
- 19 ILO, Employment, Growth and Basic Needs, op cit.
- 20 Johan Galtung, "Trade or Development : Some Reflections on Self-Reliance", Economic and Political Weekly, 11 : 5-7 (Annual Number, February 1976). m
- 21 H.W. Singer, op cit., p.37.
- 22 Paul A. Baran, The Political Economy of Growth (New York : Monthly Review Press, 1957).
- 23 Andre Gunder Frank, Capitalism and Underdevelopment in Latin America (New York : Monthly Review Press, 1967); and Latin America : Underdevelopment or Revolution (New York : Monthly Review Press, 1969). Other works by Frank are cited elsewhere in this paper.
- 24 Johan Galtung, "A Structural Theory of Imperialism", Journal of Peace Research, 8 : 2 (1971); Dieter Senghaas, "Peace Research and the Third World", Bulletin of Peace Proposals, 5 : 2 (1974).
- 25 This point has been developed by Andre Gunder Frank in his "The Development of Underdevelopment", in Cockerott, Frank and Johnson, Dependence and Underdevelopment, op cit. s, <
- 26 Andre Gunder Frank, "Sociology of Development and Underdevelopment of Sociology", op cit.
- 27 The identification of underdevelopment with dependence has, in fact, been considered one of the major weaknesses of the dependencia theory, as it renders their formulation tautological. See Sanjaya Lall, "Is Dependence a Useful Concept in the Analysis of Underdevelopment?" World Development, 3 : 11-12 (November-December 1973).
- 28 "Development of Underdevelopment", op cit.
- 29 "A Structural Theory of Imperialism", op cit.
- 30 "Trade or Development", op cit.
- 31 Dennis Meadows et al., The Limits to Growth (New York : Universe Books, 1972).

- 32 See in particular Johan Galtung, "Limits to Growth and Class Politics", Journal of Peace Research, 10 : 1-2 (1973) and Wilfred Beckerman, In Defence of Economic Growth, op cit., pp.113-114.
- 33 See Mesarovic and Pestel, Mankind at the Turning Point (London : Hutchinson, 1974); and Jan Tinbergen, Reshaping the International Order (London : Hutchinson, 1977).
- 34 The concept of the Triage has been put forward by William and Paul Paddock, Famine 1975, (Boston : Little, Brown, 1967).
- 35 For the notion of the lifeboat ethics see Garret Hardin, "Lifeboat Ethics : The Case Against Helping the Poor", Psychology Today (September 1974).
- 36 Frances Moore Lappe and Joseph Collins, Food First : Beyond the Myth of Scarcity (Boston : Houghton Mifflin, 1977).
- 37 Lappe and Collins give the example of winter vegetables grown for export to USA in Northern Mexico; raising of beef cattle in prime valley lands in Central and South America and the Caribbean Islands again for export of meat to USA; and the production of peanuts for export to Western Europe during the period of the worst drought in the Sahel.
- 38 For the views of the normative theorists see, among others, the following : Ivan Illich, Deschooling Society (New York : Harper and Row, 1972), and "Outwitting the 'Developed' Countries", in Charles K. Wilber (ed.) The Political Economy of Development and Underdevelopment, op cit.; E.F. Schumacher, Small is Beautiful (New Delhi : Radha Krishna, 1977); Denis A. Goulet, The Cruel Choice : A New Concept in the Theory of Development (New York : Atheneum, 1973); and Paolo Friere, The Pedagogy of the Oppressed (New York : Seabury Press, 1973).
- 39 "Outwitting the 'Developed' Countries" op cit. p.402.
- 40 James H. Weaver "Growth and Welfare" in Wilber op cit. p.342.
- 41 Illich, op cit. p.406.
- 42 For the development of these ideas see the works cited in F.N. 38 above.
- 43 Illich, op cit. p.407.

- 44 Some of these issues have been examined by T.S. Papola, "Informal Sector : Concept and Policy," Economic and Political Weekly, 15 : 18 (May 3, 1980).
- 45 Andrew Mack and Richard Leaver, "Radical Theories of Development", in Andrew Mack, David Plant and Ursula Doyle (eds.) Imperialism, Intervention and Development (London : Croom Helm, 1979), pp.260-261.
- 46 Theotonio Dos Santos, "The Structure of Dependence", in Charles K. Wilber (ed.), The Political Economy of Development and Underdevelopment, op cit.
- 47 Bill Warren, "Imperialism and Underdevelopment", New Left Review, No.81 (1973).

For a critique of Warren's ideas see Arghiri Emmanuel, "Myths of Development", New Left Review, No.85 (1974).